

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

Archibald Oil & Gas Operations, Inc., Brian Van
Horn, Joseph Van Horn, their employees and
agents,

Respondents.

SDO - 80 - 00

SUMMARY ORDER TO CEASE AND DESIST

Case No. 99-10-0318

THE STATE OF WASHINGTON TO:

Archibald Oil & Gas Operations, Inc.
Brian Van Horn
Joseph Van Horn
212 South Broadway
Ada, OK 74820

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents have violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

Archibald Oil & Gas Operations, Inc. ("Archibald Oil & Gas") is a corporation that has a principal business address of 212 South Broadway (P.O. Box 305), Ada, Oklahoma. Brian Van Horn is the President of Archibald Oil & Gas and Joseph Van Horn is a sales representative for the corporation.

II. NATURE OF OFFERING

SUMMARY ORDER TO CEASE AND DESIST

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Archibald Oil & Gas Operations, Inc.

1 On at least August 13, 1999, representatives of Archibald Oil & Gas participated in a trade show
2 named the Third Annual Seattle Money Show ("Money Show") held in Seattle, Washington. The Money
3 Show is a commercial venture marketed to the general public through advertising placed on the Internet
4 and through area signage that provides a forum for interaction between the public and business and
5 commercial vendors. A Securities Division staff member attending the Money Show and posing as a
6 prospective Washington investor visited Archibald Oil & Gas' booth. The booth displayed generalized
7 information about Archibald Oil & Gas and its involvement in the oil and gas industry. While at the
8 booth, the staff member expressed an interest in receiving more specific information about current
9 company programs. The staff member and other Washington residents attending the Money Show were
10 invited to complete information cards, and did so, so that they could be sent additional information in the
11 future from Archibald Oil & Gas.

12 In at least August, 1999, and October, 1999, Respondents mailed or caused to be mailed to at least
13 one prospective Washington investor letters and other materials relating to the progress of existing
14 Archibald Oil & Gas programs. Most recently, on June 19, 2000, Respondents mailed or caused to be
15 mailed to at least one prospective Washington investor an undated "Confidential Private Placement
16 Memorandum" (the "Memorandum") for "Archibald Oil & Gas Operations, Inc. Drilling Project 2000."
17 The Memorandum contained information about a new offering of units of fractional undivided working
18 interests in four oil and gas lease prospects located in the Coal, Okfuskee, and Pottawatomie Counties of
19 Oklahoma. A total of 100 units are being offered and involve the payment of drilling costs of \$8,900 per
20 unit and possible completion cost of \$4,320 per unit. Although at least the one prospective Washington
21 investor received a subscription agreement form contained in the Memorandum for the offering, the
22 Respondents failed to provide in the Memorandum complete material information regarding the offering,
23 including but not limited to information about the management of Archibald Oil & Gas or financial
24 statements for the company.

III. REGISTRATION STATUS

1 Archibald Oil & Gas Operations, Inc. is not currently registered to offer or sell securities in the
2 State of Washington, has not previously been so registered, and no notification filing of claim of
3 exemption for offers or sales is on file with the Administrator of Securities. Neither Archibald Oil & Gas
4 Operations, Inc., Brian Van Horn, nor Joseph Van Horn are currently registered as securities broker-
5 dealers or salespersons in the State of Washington and have not previously been so registered.

6 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

7 CONCLUSIONS OF LAW

8 I.

9 The offer of the undivided fractional working interests as described in Tentative Findings of Fact
10 I and II constitutes the offer and/or sale of a security as defined in RCW 21.20.005(12), a definitional
11 section of the Securities Act of Washington.

12 II.

13 The offer and/or sale of said securities as described in Tentative Findings of Fact I through III was
14 made in violation of RCW 21.20.140, the securities registration requirement provision of the Securities
15 Act of Washington, because no registration or notification of claim of exemption for such offer and/or
16 sale is on file with the Securities Division of the State of Washington and it appears that Respondent
17 Archibald Oil & Gas Operations, Inc. does not otherwise qualify for an exemption from registration.

18 III.

19 The offer and/or sale of said securities by Archibald Oil & Gas Operations, Inc., Brian Van Horn,
20 and Joseph Van Horn as described in Tentative Findings of Fact I through III was made in violation of
21 RCW 21.20.040, the broker-dealer or salesperson registration requirement provision of the Securities Act
22 of Washington.

23 IV.

24 The offer and/or sale of said securities by Archibald Oil & Gas Operations, Inc, Brian Van Horn,
and Joseph Van Horn as described in Tentative Findings of Fact I and II was made in violation of RCW

1 21.20.010, the antifraud provision of the Securities Act of Washington, because Respondents failed to
2 provide in the Confidential Private Placement Memorandum for Archibald Oil & Gas Operations, Inc.
3 Drilling Project 2000 complete material information regarding the offering, including but not limited to
4 information about the management of Archibald Oil & Gas or financial statements for the company.

5 EMERGENCY

6 The Securities Administrator finds that an emergency exists because Respondents are currently
7 offering said securities to residents of the state of Washington. The Securities Administrator finds that
8 this action is necessary and appropriate in the public interest and for the protection of investors and that
9 the public safety and welfare require emergency action.

10 SUMMARY ORDER

11 Based on the premises of the foregoing,

12 IT IS THEREFORE HEREBY SUMMARILY ORDERED That Respondents Archibald Oil &
13 Gas Operations, Inc., Brian Van Horn, Joseph Van Horn, their employees and agents, each cease and
14 desist from violations of RCW 21.20.140, the securities registration requirement provision of the
15 Securities Act of Washington.

16 IT IS THEREFORE HEREBY SUMMARILY ORDERED That Respondents Archibald Oil &
17 Gas Operations, Inc., Brian Van Horn, Joseph Van Horn, their employees and agents, each cease and
18 desist from violations of RCW 21.20.040, the broker-dealer or salesperson registration requirement
19 provision of the Securities Act of Washington.

20 IT IS THEREFORE HEREBY SUMMARILY ORDERED That Respondents Archibald Oil &
21 Gas Operations, Inc., Brian Van Horn, Joseph Van Horn, their employees and agents, each cease and
22 desist from violations of RCW 21.20.010, the antifraud provision of the Securities Act of Washington.

23 AUTHORITY AND PROCEDURE

24 This Summary Order is entered pursuant to the provisions of RCW 21.20.390 and chapter 34.05
RCW. The Respondents may each make a written request for hearing as set forth in the Notice of

1 Opportunity to Defend and Opportunity for Hearing accompanying this order. A request for a hearing
2 should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial
3 Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Brad Ferber. If a
4 Respondent does not request a hearing as set forth in the Notice of Opportunity to Defend and
5 Opportunity for Hearing, the Securities Administrator intends to adopt the Tentative Findings of Fact and
6 Conclusions of Law as final and make this Summary Order to Cease and Desist permanent as to such
7 Respondent.

8 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

9
10 Dated this _____ day of _____, 2000.

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12 _____
13 Deborah R. Bortner
14 Securities Administrator

15 Presented by: _____
16 Brad Ferber
17 Securities Examiner

18 Approved by: _____
19 Michael E. Stevenson
20 Chief of Compliance
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1 witnesses by subpoena. If you are limited English- speaking or hearing impaired, you have the right to have an
2 interpreter appointed at no cost to you, as discussed below.

3 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-
4 English-speaking cultural background, cannot readily speak or understand the English language, or if you or a
5 witness for you is a person who, because of a hearing impairment or speech defect, cannot readily understand or
6 communicate in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND
7 YOU NEED AN INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the
8 witness. You may request the appointment of a qualified interpreter by indicating your request on the attached
9 Application for Adjudicative Hearing form.

10 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE
11 the Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice,
12 this will constitute a waiver of your right to a hearing and the director will find that you do not contest the
13 allegations of the Summary Order. Upon such a finding by the director a final order will be immediately entered
14 disposing of this matter and ordering you to cease and desist as described in the Summary Order. If you desire a
15 hearing in this matter, please return the attached Application for Adjudicative Hearing to:

16 Washington State Department of Financial Institutions
17 Securities Division
18 Attn: Brad Ferber
Post Office Box 9033
Olympia, Washington 98507-9033

19 Dated this _____ day of _____, 2000.
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22 _____
Deborah R. Bortner
23 Securities Administrator
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I.

I [REQUEST] [DO NOT REQUEST] a formal hearing in this matter.

II.

I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number are:

III.

I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is ____
_____(identify language). My, or my witness's(es'), hearing impaired status is ____
_____(identify hearing impaired status). I understand that a qualified interpreter will be appointed at no cost to me or to my witness(es).

IV.

You have the right: To demand a hearing; to be represented by an attorney at your own expense; to subpoena witnesses to the hearing or subpoena the production of books or documents and to otherwise defend against the Summary Order.

WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOU RECEIVED THE SUMMARY ORDER TO CEASE AND DESIST WILL RESULT IN THE DISPOSITION OF THIS CASE AS AUTHORIZED BY RCW 34.05.440.

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Dated this _____ day of _____, 2000.

Archibald Oil & Gas Operations, Inc., by:

Signature

Print Name and Title

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Dated this _____ day of _____, 2000.

Brian Van Horn, as President of Archibald Oil & Gas Operations, Inc., and individually:

Signature

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I.

I [REQUEST] [DO NOT REQUEST] a formal hearing in this matter.

II.

I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number are:

III.

I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is ____
_____(identify language). My, or my witness's(es'), hearing impaired status is ____
_____(identify hearing impaired status). I understand that a qualified interpreter will be appointed at no cost to me or to my witness(es).

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Dated this _____ day of _____, 2000.

Joseph Van Horn, as a representative of Archibald Oil & Gas Operations, Inc., and individually:

Signature

Address (if facing page is incorrect):

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